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9 RAMESH MODY, et al.

10 **ORIGINAL** **FILED**

11 **JAN 12 2011**

12 *[Signature]*  
13 United States Court  
14 San Jose, California

15 **UNITED STATES BANKRUPTCY COURT**  
16 **NORTHERN DISTRICT OF CALIFORNIA-SAN JOSE DIVISION**

17 RAMESH MODY, VIVEK MODY,  
18 HIMANSHU JAIN, IAN ROXAS, RICH  
19 CHIN, JIM YOUNG, DAI TRAN, RITCHIE  
20 GARAY, MORTELL DELOS TRINOS,  
21 HAZEL PADILLA, KRISTOPHER BASS,  
22 ADAM LIM, OASII LUCERO, MAURI  
23 DELOSTRINOS, MICHELLE VALENTIN,  
24 JOON OH, GREG SUAREZ, SUSAN  
25 SUAREZ, JULIO SUAREZ, RITA SUAREZ,  
26 NENITA ABBOTT, JOE FABIAN, JULIE  
27 FABIAN, AUGUSTUS FABIAN, CYNTHIA  
28 CUBING, INOCENTES CUBING, ANGIE  
29 CUBING, MARIO MARTINS, SUE  
30 THOMPSON, MAURO DELOS TRINOS,  
31 ELISEO CABRERA, DIGNA CABRERA,  
32 NAEEM ABDULMALIK, RICHARD  
33 ISONO, GAIL ISONO, MARTIN WONG,  
34 ALMA BISHOP, AMELIA SANTOS,  
35 SUSAN VALENTIN

36 Debtor Action No: 10-60671  
37 Adversary Case No.

38 **ADVERSARY COMPLAINT TO DEEM**  
39 **SERIES OF DEBTS TO 39 PLAINTIFFS**  
40 **AS NON DISCHARGEABLE DUE TO**  
41 **ELDER ABUSE FRAUD, COMMON LAW**  
42 **FRAUD, THEFT, EMBEZZLEMENT; AND**  
43 **INTENTIONAL TORT OF CONVERSION;**  
44 **TO ADJUDGE THE AMOUNT OF THE**  
45 **DEBTS; AND CLAIMS FOR PUNITIVE**  
46 **DAMAGES AND ATTORNEY'S FEES**

47 Plaintiffs,

48 v.

49 ROSEMARIE GAN

50 Defendant,

51 PLAINTIFFS allege and state as follows:

52 ADVERSARY COMPLAINT

53 Case: 11-05015 Doc# 1 Filed: 01/12/11 Entered: 01/12/11 11:49:40 Page 1 of 19

## I. **JURISDICTION AND VENUE**

1. Jurisdiction over this case is based on the Court's jurisdiction to hear adversary proceedings to declare debts non dischargeable under 11 U.S.C. Section 523(a)(2) [fraud]; 523(a)(4) [theft/embezzlement] 523(a)(6) [intentional conversion of money].

2. Venue in the Northern District of California is based on the fact that the defendant Rosemarie A Gan resides in this district and has filed a bankruptcy petition in this district; and that nonparty Argee's Travel & Gifts is a business entity that has a principle place of business in this district and has filed a bankruptcy petition in this district.

## II. PARTIES

3. The following plaintiffs [39 total] are individuals that have all invested funds with defendant Rosemarie A Gan and her nonparty corporation Argee's Travel & Gifts, Inc., pursuant to an investment contract in the form attached as Exhibit A hereto:

Ramesh Mody

Vivek Mody

Himanshu Jain

Ian Roxas

Rich Chin

Jim Young

Dai Tran

Ritchie Garay

1 Mortell Delos Trinos  
2 Hazel Padilla  
3 Kristopher Bass  
4 Adam Lim  
5 Oasii Lucero  
6 Mauri Delostrinos  
7 Michelle Valentin  
8 Joon Oh  
9 Greg Suarez  
10 Susan Suarez  
11 Julio Suarez  
12 Rita Suarez  
13 Nenita Abbott  
14 Joe Fabian  
15 Julie Fabian  
16 Augustus Fabian  
17 Cynthia Cubing  
18 Inocentes Cubing  
19 Angie Cubing  
20 Mario Martins  
21 Sue Thompson  
22 Mauro Delos Trinos  
23 Eliseo Cabrera  
24 Digna Cabrera  
25 Naeem Abdulmalik  
26

1 Richard Isono

2 Gail Isono

3 Martin Wong

4 Alma Bishop

5 Amelia Santos

6 Susan Valentin

7

8 4. Defendant Rosemarie A Gan is an individual residing in Milpitas, CA.

9

10 5. Nonparty Argee's Travel & Gifts, Inc. is a California business form unknown with a principle  
11 place of business in Santa Clara County, CA. Nonparty Argee's Travel & Gifts, Inc. is described  
12 on its letterhead as an "Inc." [See Exhibit A], but is described in defendant Gan's bankruptcy  
13 petition as a partnership. The California Secretary of State records show that the nonparty is a  
14 corporation, with a registration number of C3058180.

15

16 **III.**

17 **FIRST CLAIM FOR RELIEF FOR NONDISCHARGEABILITY OF DEBTS BASED ON  
18 ELDER ABUSE FRAUD**

19 6. This is a claim for relief under 11 USC Section 523(a)(2) [fraud]; 523(a)(4)  
20 [theft/embezzlement] 523(a)(6) [intentional conversion of money], to deem a series of debts  
21 owing to the plaintiffs listed below as non-dischargeable based on elder abuse fraud committed  
22 by defendant Rosemarie A Gan.

23

24 7. The following plaintiffs are over the age of 65 and thus qualify as elders within the meaning of  
25 California's elder abuse statute, Welfare and Institutions Code Section 15610.30, 15657,  
26 15657.5:

1 Ramesh Mody

2 Julio Suarez

3 Rita Suarez

4 Nenita Abbott

5 Augustus Fabian

6 Angie Cubing

7

8 8. Plaintiffs have attached as Exhibit A hereto two versions of an exemplar investment contract

9 that defendants Rosemarie A Gan and Argee's Travel & Gifts, Inc. fraudulently induced

10 plaintiffs into entering into. The terms and conditions set forth in Exhibit A are incorporated

11 herein. Plaintiffs entered into a series of such investment contracts with the same terms as

12 Exhibit A. Some plaintiffs authorized Michelle Valentin and Mauri Delos Trinos to sign

13 contracts on their behalf as well as pick up and disperse their monthly commissions.

14

15 9. Plaintiffs have attached as Exhibit B a spreadsheet listing each of their names and the amount

16 of the ending investment amounts made by each of them that remain unpaid as of this date, and

17 constitute the damages complained of herein for each plaintiff. The information listed on Exhibit

18 B is incorporated herein.

19

20 10. Each plaintiff has signed a series of these exemplar agreements [Exhibit A]. The agreement

21 was made to finance a series of purchases of a block of pre-booked airplane tickets for flights to

22 and fro USA and the Philippines. The block purchases allowed the defendants to obtain preferred

23 rates on tickets. Plaintiffs were to receive a commission on their investments, as shown in the

24 contract [Exhibit A, para. 2 of the Investment Agreement and para. B of the 30 Day Investment

1 Contract Agreement]. Some plaintiffs authorized Michelle Valentin and Mauri Delos Trinos to  
2 sign contracts on their behalf as well as pick up and disperse their monthly commissions.

3

4 11. Defendant Rosemarie A. Gan is the owner/operator of a travel agency under the name of  
5 Argee's Travel & Gifts, Inc. This company is described on letterhead and other correspondence  
6 as a corporation, with an Inc. at the end of its name [see Exhibit A]. The State of California  
7 Department of State confirms a corporation by that name is registered with a registration number  
8 C3058180. In defendant Gan's bankruptcy filing, she lists the company as a partnership, but does  
9 not reveal the names of any partners.

10

11 12. Defendant Gan Argee's Travel & Gifts, Inc. made the following written misrepresentation of  
12 material fact through the investment contracts [Exhibit A] to plaintiffs:

13

14 A. That upon completion of the purchases of a block of tickets the plaintiffs would receive the  
15 return of their investment amount plus a commission.

16

17 B. That the investment of their funds would be used specifically for the purchase of a block of  
18 airline tickets to and fro USA and the Philippines, and that such tickets would be purchased only  
19 where they had been pre booked by specific airline passengers.

20

21 C. That the investment of plaintiff's funds would not be used for any other purpose.

22

23 D. Defendants used the word "investment" in their contract [see Exhibit A hereto, Investment  
24 Agreement]. In so doing, she impliedly represented that Argee's Travel & Gifts, Inc. had issued  
25 and registered all appropriate disclosure forms, securities registration documents, exemptions

1 from security, offer to sell securities, investor questionnaires, corporation filings, and other  
2 related legally required securities offering documentations [prospectus, financial statements,  
3 opinions of counsel] had been duly prepared, reviewed by appropriate professionals [CPA and  
4 lawyers], filed with appropriate government agencies and were all in order.

5

6 13. Defendants further made the above written misrepresentations as a series of promises to  
7 perform, without having the intent to perform those promises.

8

9 14. Defendants further concealed the fact that the above misrepresentations were false, and that  
10 the defendants did not have the intent to perform those promises.

11

12 15. Defendants made these written misrepresentations, false promises, and concealments to  
13 plaintiff in the form of the exemplar agreement [Exhibit A hereto], which were disseminated to  
14 the various plaintiffs. Defendants made these misrepresentations periodically over the period of  
15 January 2009-October 2010. Each investment contract was a single transaction, and a new one  
16 would be drawn up to permit a further transaction. The misrepresentations were thus made on a  
17 continuous basis over this period.

18

19 16. Further proof of defendant's fraudulent promise to repay are in terms of the timing of the last  
20 series of investments, and the filing of defendants personal and corporate bankruptcy petitions.  
21 [Bankruptcy Petitions Nos. 10-60671 [personal, filed on October 14, 2010] and Bankruptcy Case  
22 No. 10-61818 [on behalf of Argee's Travel & Gifts, Inc., filed on November 15, 2010].

23 17. Plaintiff Ramesh Mody for example, is over the age of 65, placed the amount of \$25,960  
24 with defendants during approximately October 1, 2010, about two weeks before she filed  
25 bankruptcy. Obviously defendants were not intending to ever pay back Mr. Mody when they

1 received the funds. Other plaintiffs have similarly invested funds with defendants within 30 days  
2 of the filing of bankruptcy: [Vivek Mody, Mauri Delos Trinos and Ian Roxas].  
3

4 18. Defendants were at their place of business located at 1798 Milmont Drive, Milpitas,  
5 California 95035 when they made the above described misrepresentations.  
6

7 19. The misrepresentations were in fact false, and were made by defendants with actual  
8 knowledge of their falsity.  
9

10 20. The true facts were:  
11

12 A. Defendants did not have the intent to perform their promise to return the principle amounts of  
13 the investments. Instead, defendants' intent was in the form of a Ponzi scheme whereby new  
14 investors into the scheme would provide funds to be used to pay commissions to other investors.  
15 None of the listed investors [Exhibit B hereto] received their principle back. The sheer number of  
16 these investors shows that the defendants did not have the intent to perform their respective  
17 promises to pay back the investment amount upon completion of the block purchase transactions.  
18

19 B. Defendant began a procedure of giving postdated checks, but then closed the bank accounts  
20 for those checks. Defendant used multiple bank accounts to pay commissions.  
21

22 C. Defendants did not have the intent at the time the promises were made to use the funds for the  
23 purchase of pre booked tickets as promised and stated in Exhibit A. Instead, defendants' intent  
24 and actual conduct were to use the funds for other purposes, including purchasing tickets that  
25 were not pre booked, and using the funds for personal needs. Plaintiffs do not know exactly  
26

1 where the close to \$2.5 million in funds have gone to, but have reason to believe that defendants  
2 have placed these funds into family members control in the Philippines and in Australia.  
3

4 D. Defendants did not have the intent at the time the promises were made to use the funds for the  
5 purchase of pre booked tickets as promised and stated in Exhibit A. Defendants instead had the  
6 different intent to use it for unauthorized purchases, including the use of funds for their own  
7 personal needs, the use of funds to pay off commissions owed on other transactions, and other  
8 improper purposes. Plaintiffs do not know exactly where the close to \$2.5 million in funds have  
9 gone to, but have reason to believe that defendants have placed these funds into family members  
10 control in the Philippines and in Australia.

11  
12 E. With respect to the company's securities filings, and related documents described above, the  
13 true facts were that the has not completed any of the required securities offering documentation,  
14 securities registration, exemptions from registration, investor questionnaires, financial  
15 statements, and has not appropriate review done by a CPA and/or attorney. The company is  
16 listed in Rosemarie A. Gan as a partnership, but is registered as a corporation. This failure to  
17 abide by California securities law requirements constitutes *per se* fraud.

18  
19 21. Defendants made these misrepresentations with the intent to cause and induce plaintiffs to  
20 invest into the travel ticket block purchases pursuant to the terms of the exemplar agreement,  
21 Exhibit A hereto.

22 22. Plaintiffs reasonably relied upon these misrepresentations to their detriment, by investing  
23 funds to defendants as per the terms of the exemplar agreement [Exhibit A hereto]. The  
24 spreadsheet attached hereto as Exhibit B lists out the amount of investment levels for each  
25 plaintiff herein.  
26

1 23. As a proximate result of defendants fraudulent conduct, plaintiffs, and each of them, have  
2 been damaged in terms of the amounts of their unreturned investment levels. The spreadsheet  
3 attached hereto as Exhibit B lists out the amount of investment levels for each plaintiff herein,  
4 and is incorporated herein as a statement of damages for each plaintiff.

5  
6 24. Plaintiffs also seek all available pre judgment interest on their investment levels, in an  
7 amount according to proof.

8  
9 25. The conduct of defendants was fraudulent, intentional, oppressive, and constitutes a basis for  
10 punitive and exemplary damages pursuant to Cal. Civil Code Section 3294 and W&I Code Sec.  
11 15657.5 in an amount according to proof.

12  
13 26. Defendant Rose Gan and Argee's Travel & Gift also made the following further  
14 misrepresentations of material fact with the intent to induce plaintiffs to continue in their  
15 investment program and to withhold filing of any lawsuit. Rose Gan made these  
16 misrepresentations at her place of business in Santa Clara County, California, on the dates  
17 indicated below:

18  
19 A. During July 2010 Rose Gan advised some of the plaintiffs that she was suffering from a stage  
20 3 form of cancer. July of 2010

21  
22 B. During early September 2010 Rose Gan advised some other plaintiffs that she was suffering  
23 from a stage 1 form of cancer. Early September 2010

1 27. Plaintiffs in this claim for relief are all elders within California's Elder Abuse statute, Welfare  
2 and Institutions Code Sections 15610.30, 15657, 15657.5, and invoke all damage remedies  
3 within those statutes, including without limitation:

4

5 A. Compensatory Damages for their respective investment levels as shown on Exhibit B hereto.

6

7 B. General damages for intentional infliction of emotional distress in an amount according to  
8 proof but in excess of \$100,000 for each plaintiff in this first claim for relief.

9

10 C. Punitive damages of three times the amount of actual damages, or such other amount as the  
11 court permits.

12

13 D. Pre judgment interest on all damage amounts.

14

15 E. Attorney's fees expended in connection with the prosecution of this present action, in an  
16 amount according to proof. Attorney's fees are permitted by statute, W&I Code Sec. 15657.5,  
17 and by the terms of the investment contract [Exhibit A].

18

19 F. Such other relief as the Court may permit under the Elder Abuse law, or other equitable  
20 authority of the Court.

21

22 28. Plaintiffs further seek a judgment deeming the debts identified in the excel spreadsheet  
23 attached hereto as Exhibit B as non-dischargeable pursuant to 11 U.S.C. Section 523(a)(2)  
24 [fraud], 523(a)(4) [theft/embezzlement of funds] and 523(a)(6) [intentional and malicious  
25 damage to plaintiff's property].

1 WHEREFORE plaintiffs, and each of them, pray for relief as set forth below.  
2  
3

4 **IV.**

5 **SECOND CLAIM FOR RELIEF FOR NONDISCHARGEABILITY OF DEBTS BASED  
6 ON COMMON LAW FRAUD**

7 29. The allegations of paragraphs 1-28 are incorporated herein.  
8  
9

10 30. This is a claim for relief under 11 USC Section 523(a)(2) to deem a series of debts as non-  
11 dischargeable based on common law fraud committed by defendant Rosemarie A Gan against  
12 the entire group of plaintiffs herein:

13 Ramesh Mody

14 Vivek Mody

15 Himanshu Jain

16 Ian Roxas

17 Rich Chin

18 Jim Young

19 Dai Tran

20 Ritchie Garay

21 Mortell Delos Trinos

22 Hazel Padilla

23 Kristopher Bass

24 Adam Lim

25 Oasii Lucero

26 Mauri Delostrinos

27 Michelle Valentin

28 Joon Oh

1 Greg Suarez  
2 Susan Suarez  
3 Julio Suarez  
4 Rita Suarez  
5 Nenita Abbott  
6 Joe Fabian  
7 Julie Fabian  
8 Augustus Fabian  
9 Cynthia Cubing  
10 Inocentes Cubing  
11 Angie Cubing  
12 Mario Martins  
13 Sue Thompson  
14 Mauro Delos Trinos  
15 Eliseo Cabrera  
16 Digna Cabrera  
17 Naeem Abdulmalik  
18 Richard Isono  
19 Gail Isono  
20 Martin Wong  
21 Alma Bishop  
22 Amelia Santos  
23 Susan Valentin  
24  
25  
26

1 31. Plaintiffs have attached as Exhibit A hereto an exemplar investment contract that defendants  
2 Rosemarie A Gan and Argee's Travel & Gifts, Inc. fraudulently induced plaintiffs into entering  
3 into. The terms and conditions set forth in Exhibit A are incorporated herein. Some plaintiffs  
4 authorized Michelle Valentin and Mauri Delos Trinos to sign contracts on their behalf as well as  
5 pick up and disperse their monthly commissions.

6

7 32. Plaintiffs have attached as Exhibit B a spreadsheet listing each of their names and the amount  
8 of the ending investment amounts made by each of them that remain unpaid as of this date, and  
9 constitute the damages complained of herein for each plaintiff. The information listed on Exhibit  
10 B is incorporated herein.

11

12 33. Each plaintiff has signed a series of these exemplar agreements [Exhibit A]. The agreements  
13 were made to finance a series of purchases of block of airplane tickets for flights to and fro USA  
14 and the Philippines. The block purchases allowed the defendants to obtain preferred rates on  
15 tickets. Plaintiffs were to receive a commission on their investments, as shown in the contract  
16 [Exhibit A]. Some plaintiffs authorized Michelle Valentin and Mauri Delos Trinos to sign  
17 contracts on their behalf as well as pick up and disperse their monthly commissions.

18

19 34. Defendant Rosemarie A Gan is the owner/operator of a travel agency under the name of  
20 Argee's Travel & Gifts, Inc. This company is described on letterhead and other correspondence  
21 as a corporation, with an Inc. at the end of its name, sees Exhibit A hereto. The State of  
22 California Department of State shows such a corporation was registered with registration no.  
23 C3058180. In defendants bankruptcy filing she lists the company as a partnership, but does not  
24 reveal the names of any partners.

1 35. Defendant Gan and Argee's Travel & Gifts, Inc. made the following written  
2 misrepresentation of material fact through the investment contracts [Exhibit A hereto] to  
3 plaintiffs:

4

5 A. That upon completion of the purchases of a block of tickets the plaintiffs would receive the  
6 return of their investment amount plus a commission.

7

8 B. That the investment of their funds would be used specifically for the purchase of a block of  
9 airline tickets to and fro USA and the Philippines, and that such tickets would be purchased only  
10 where they had been pre booked by specific airline passengers.

11

12 C. That the investment of plaintiff's funds would not be used for any other purpose.

13

14 D. Defendants uses the word "investment" in their contract [see Exhibit A]. In so doing, they  
15 impliedly presented that Argee's Travel and Gifts, Inc. that all appropriate disclosure forms,  
16 securities registration documents, exemptions from security registrations or registration of  
17 securities and offer to sell securities, investor questionnaires, corporation filings, and other  
18 related legally required securities offering documentations [prospectus, financial statements,  
19 opinions of counsel] had been dually prepared, reviewed by appropriate professionals [CPA and  
20 lawyers], were filed with appropriate government agencies, and were all in order.

21

22 36. Defendants further made the above written misrepresentations as a series of promises to  
23 perform, without having the intent to perform those promises.

1 37. Defendants further concealed the fact that the above misrepresentations were false, and that  
2 the defendants did not have the intent to perform those promises.  
3

4 38. Defendants made these written misrepresentations, false promises, and concealments to  
5 plaintiff in the form of the exemplar agreement [Exhibit A hereto], which were disseminated to  
6 the various plaintiffs. Defendants made these misrepresentations periodically over the period of  
7 January 2009-October 2010. Each investment contract was a single transaction, and a new one  
8 would be drawn up to permit a further transaction. The misrepresentations were thus made on a  
9 continuous basis over this period.  
10

11 39. Further proof of defendant's fraudulent promise to repay are in terms of the timing of the last  
12 series of investments, and the filing of defendants personal and corporate bankruptcy petitions.  
13 [Bankruptcy Petitions Nos. 10-60671 [personal, filed on October 14, 2010] and Bankruptcy Case  
14 No. 10-61818 [on behalf of Argee's Travel & Gifts, Inc., filed on November 15, 2010].  
15

16 40. Plaintiff Ramesh Mody for example, is over the age of 65, placed the amount of \$25,960  
17 with defendants during approximately October 1, 2010, about two weeks before defendants filed  
18 their bankruptcy. Other plaintiffs have similarly invested funds with defendants within 30 days  
19 of the filing of bankruptcy: [Vivek Mody, Mauri Delos Trinos and Ian Roxas].  
20

21 41. Defendants were at their place of business located at 1798 Milmont Drive, Milpitas,  
22 California 95035 when they made these misrepresentations.  
23

24 42. The misrepresentations were in fact false, and were made by defendants with actual  
25 knowledge of their falsity.  
26

1 43. The true facts were:

2

3 A. Defendants did not have the intent to perform their promise to return the principle amounts of  
4 the investments. Instead, defendants' intent was in the form of a Ponzi scheme whereby new  
5 investors into the scheme would provide funds to be used to pay commissions to other investors.

6 None of the listed investors [Exhibit B hereto] received their principle back. The sheer number of  
7 these investors shows that the defendants did not have the intent to perform their respective  
8 promises to pay back the investment amount upon completion of the block purchase transactions.

9

10 B. Defendant began a procedure of giving postdated checks, but then closed the bank accounts  
11 for those checks. Defendant used multiple bank accounts to pay commissions.

12

13 C. Defendants did not have the intent at the time the promises were made to use the funds for the  
14 purchase of pre booked tickets as promised and stated in Exhibit A. Instead, defendants' intent  
15 and actual conduct were to use the funds for other purposes, including purchasing tickets that  
16 were not pre booked, and using the funds for personal needs. Plaintiffs do not know exactly  
17 where the \$2.5 million in funds have gone to, but have reason to believe that defendants have  
18 placed these funds into family members control in the Philippines and in Australia.

19

20 D. Defendants did not have the intent at the time the promises were made to use the funds for the  
21 purchase of pre booked tickets as promised and stated in Exhibit B. Defendants instead had the  
22 different intent to use it for unauthorized purchases, including the use of funds for their own  
23 personal needs, the use of funds to pay off commissions owed on other transactions, and other  
24 improper purposes. Plaintiffs do not know exactly where the \$2.5 million in funds have gone to,

1 but have reason to believe that defendants have placed these funds into family members control  
2 in the Philippines and in Australia.

3  
4 E. With respect to the company's securities filings, and related documents described in para D,  
5 page 16 above, the true facts were that the defendants have not completed any of the required  
6 securities offering documentation, securities registration, exemptions from registration, investor  
7 questionnaires, financial statements, and has not appropriate review done by a CPA and/or  
8 attorney. The company is listed in Rosemarie A. Gan as a partnership, but is registered with the  
9 State of California as a corporation. This failure to abide by California securities law  
10 requirements constitutes *per se* fraud.

11  
12 44. Defendant Rosemarie Gan and Argee's Travel & Gifts also made the following further  
13 misrepresentations of material fact with the intent to induce plaintiffs to continue in their  
14 investment program and to withhold filing of any lawsuit. Rosemarie Gan made these  
15 misrepresentations at her place of business in Santa Clara County, California, on the dates  
16 indicated below.

17  
18 A. During July 2010 Rose Gan advised some of the plaintiffs that she was suffering from a stage  
19 3 form of cancer.

20  
21 B. During early September 2010 Rose Gan advised some other plaintiffs that she was suffering  
22 from a stage 1 form of cancer.

23  
24 C. During March-October 2010, Rose Gan coaxed plaintiffs to invest more money into her  
25 business by suggesting they had to buy out other Investors. On or about Mar 2010, defendants  
26

1 suggested to a plaintiff (Himanshu Jain) that other plaintiffs were too much trouble and that they  
2 would like Himanshu Jain to add more funds to "buy out" the other investor's principal  
3 investment. When defendants received new funds from Himanshu Jain, the defendants never  
4 used those funds to "buy out" the other investors that were supposedly giving trouble to the  
5 defendants. This occurred multiple times over the course of March 2010 to October 2010,  
6 leading Himanshu Jain to continue increasing his investment. Other plaintiffs were told the same  
7 story to coax them to increase their investments. Vivek Mody (plaintiff), Michelle Valentin  
8 (plaintiff) and Mauri Delos Trinos (plaintiff) experienced the same over the course of their  
9 investments.

10  
11 45. Defendants made these misrepresentations with the intent to cause and induce plaintiffs to  
12 invest into the travel ticket block purchases pursuant to the terms of the exemplar agreement,  
13 Exhibit A hereto.

14  
15 46. Plaintiffs reasonably relied upon these misrepresentations to their detriment, by investing  
16 funds to defendants as per the terms of the exemplar agreement [Exhibit A hereto]. The excel  
17 spreadsheet attached hereto as Exhibit B lists out the amount of investment levels for each  
18 plaintiff herein.

19  
20 47. Some of the plaintiffs effectuated their investment and transfer of funds to defendant via  
21 authorization of Rose Gan to use their credit cards to make charges for airline tickets. The  
22 plaintiffs that made these credit card authorizations are: Susan Thompson, Susan Valentin,  
23 Michelle Valentin, Mauri Delos Trinos, Ian Roxas, and Hazel Padilla.